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Objet: AND LABRADOR

From / De: Jacqueline Perry, Regional Director General

Via:

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☐ Your Signature
Votre signature

☐ Information

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SCENARIO NOTE

MEETING WITH DWIGHT BALL, PREMIER OF NEWFOUNDLAND AND LABRADOR

Overview

Your objective for the meeting is to listen to the Premier's concerns regarding the Department of Fisheries and Oceans (DFO) marine conservation initiatives, regime shift, the Newfoundland and Labrador (NL) salmon fishery, NL aquaculture, and the Canada-United States negotiations regarding possible transfers of Canadian 3LNO Yellowtail flounder quota to the United States.

A biography of Premier Ball is included in Annex 1.

1. DFO Marine Conservation Initiatives and Marine Spatial Planning

NL is seeking to significantly expand offshore petroleum exploration and development by 2030 as a key pillar of economic planning for the future. The Province is concerned about the implementation of marine conservation initiatives, such as the establishment of marine protected areas (MPAs) and marine refuges, and their potential impact on oil and gas activities and the fishing industry.

Minister's Objectives

To reassure your colleague that the Department recognizes the importance of the ocean economy to NL, including fishing and oil and gas activities, and to reinforce the Canada-Newfoundland Accord Agreement that commits parties to plan the use of the offshore to develop oil and gas resources and to protect marine biodiversity. This is the goal of the marine spatial planning process between Canada and the Province that is in the early stages of initiation.

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Key Messages

- **The Government of Canada remains committed to its international target to protect 10 per cent of Canada's marine and coastal areas by 2020. We acknowledge the extent of ocean area that has been formally protected around Newfoundland and Labrador, and appreciate the ongoing support of the Province in marine conservation.**
- **Sustainable economic activities can take place while meeting marine conservation objectives.**

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- **The Department will continue to collaborate with the Province and established authorities, such as the Canada-NL Offshore Petroleum Board, in considering any future marine conservation areas around NL to minimize impacts on petroleum, fishing, and other industry activities.**
- **We are pleased to work with the Province to advance Marine Spatial Planning. This process will support our work together to proactively plan the use of the offshore area to capitalize on petroleum resources and other economic opportunities while ensuring that important marine ecosystems for biodiversity are protected.**

Context

The ocean area around NL is roughly 18 per cent of Canada's total marine area. With the recent establishment of the Laurentian Channel MPA and the addition of a portion of the North East Newfoundland Closure as a marine refuge, roughly 25 per cent of the marine area formally protected in Canada is now found in waters around NL. The only additional area around NL that the Department is currently considering to formally protect in the future is a possible *Oceans Act* MPA in the marine zone of the Labrador Inuit Land Claim Area. This is being considered in collaboration with the Nunatsiavut Government, which the Province is aware of. **Additional information is provided in Annex 2.**

2. Regime Shift

While groundfish resources are starting to rebuild, they are not rebuilding at a pace to offset losses anticipated from declines in shellfish resources. The environmental regime shift affecting resource abundance could negatively impact the provincial economy. Redfish is the most near-term groundfish opportunity and have begun to rapidly increase. The Province would like any increased resource allocations to benefit adjacent NL harvesters and communities.

Minister's Objectives

To reassure your colleague that fisheries management decisions consider factors such as conservation, adjacency, historical dependence, economic viability, and Indigenous and treaty rights.

Key Messages

- **The Department recognizes the impact of fish management decisions on harvesters and coastal communities in NL.**

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- **Each year, DFO conducts in excess of 100 formal engagements with harvesters including consultations, inshore outreach meetings, advisory committee meetings, ongoing collaborations, working groups meetings, and science stock assessments. Most of our engagements include representation from the Province. These consultations are critical to the Department's understanding of all stakeholder concerns and priorities and inform key decision-making processes.**
- **The Department's rebuilding plans for groundfish will consider socio-economic impacts as well as current and future opportunities for harvesters.**
- **There has been no decision on new access and allocations of Gulf redfish. In the event of the opening of the redfish fishery in the Gulf, the management approach will consider the latest science advice and stakeholder perspectives.**

Context

While groundfish resources are starting to rebuild, they are not rebuilding at a pace to offset losses anticipated from declines in shellfish resources. This will have negative impacts on the NL fishing industry which employs close to 17,000 individuals. The Province wants recovery plans for groundfish to consider socio-economics as part of the rebuilding strategy

There are historic sharing arrangements in place for most of the groundfish stocks in Atlantic Canada. Prior to the moratoria, many of these fisheries were dominated by the offshore sector, which held the largest share of the quotas. With some of these stocks improving and coming out of moratoria after 20 years, there are calls for these sharing arrangements to be reviewed.

Additional information is provided in Annex 2.

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3. Atlantic Salmon

The Province wants greater involvement in the management of the NL salmon fishery and has expressed concerns

Minister's Objectives

To reiterate to your colleague that the Department recognizes their concerns regarding the management of Atlantic salmon.

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Key Messages

- **The Department values the input of stakeholders and the angling public. Our 2019 decision strives to balance conservation and socio-economic considerations, and takes into account stakeholder input and science advice.**
- **The Department's 2019 salmon management decision takes into account the impacts on the tourism industry and on local communities near rivers open to angling. Having different retention limits for different classes of rivers acknowledge the importance of angling to tourism in local communities and supports shared stewardship of the resource.**
- **The Department has implemented a more responsive and multi-faceted environmental protocol which was developed in consultation with stakeholders through the advisory process.**
- **The Department dedicates significant resources to Atlantic salmon in the province of NL, investing approximately \$3.7 million annually in research and monitoring.**

Context

NL is concerned about the province's wild salmon population, which has declined by 45 per cent since 2015, and wants more control over the NL recreational salmon fishery. Legislative jurisdiction is shared between the federal government and the Province. The federal government has jurisdiction over resource conservation and protection measures for both marine and inland fisheries, including setting retention limits for salmon in NL. The provincial government has the authority to issue and control distribution of recreational salmon licences. Enforcement of regulations is shared.

4. Aquaculture

The Province supports the development of a national aquaculture act; however, the Province wants to maintain its primary responsibility for the development of the NL aquaculture industry, including modernizing the 1988 Canada-NL MOU on Aquaculture Development, and updating the Code of Containment for the Culture of Salmonids.

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Minister's Objectives

To acknowledge the Province's position on new legislation and indicate that the Department is committed to moving forward with developing national aquaculture legislation that respects jurisdictional authority.

Key Messages

Aquaculture Growth

- **The Department supports the sustainable growth of the provincial aquaculture sector and will continue to collaborate with the Province.**
- **The Department collaborates with the Province on aquaculture issues and supports provincial processes including environmental assessments and aquaculture licensing activities.**
- **The Fisheries and Aquaculture Clean Technology Adoption Program (federal), the Atlantic Fisheries Fund (federal-provincial), and the Canadian Fish and Seafood Opportunities Fund (federal-provincial) are also available to support the sustainable expansion of this industry as well as to support market access and development opportunities.**

Aquaculture Act

- **The development of an aquaculture act is a priority and we will be engaging Indigenous groups, provinces and territories, and stakeholders in the coming months. Departmental officials were in St. John's on May 21 to initiate early engagement with local industry members.**
- **In addition, we are pursuing the creation of new aquaculture-specific regulations that will consolidate and further improve all aquaculture regulatory provisions currently under the *Fisheries Act* into one comprehensive set of regulations under the new act.**
- **The proposed new aquaculture act and regulations will help create a modern and adaptable federal aquaculture management regime, provide much needed clarity and certainty for the industry, and enhance environmental protection.**

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Modernize Canada-NL Memorandum of Understanding (MOU) on Aquaculture Development

- **During the Canadian Council of Fisheries and Aquaculture Ministers meeting in December 2018, Ministers agreed to work together to clarify and improve regulatory oversight and consistency. My officials would be pleased to work with their provincial counterparts to update the MOU initially signed in 1988.**

Code of Containment

- **The Department has suggested changes to the Code of Containment based on experiences with escapes in recent years. These changes will enhance the recapture provision of the Code, for which DFO is responsible. DFO continues to work with the Province to update and co-deliver the Code.**

Context

As part of its "The Way Forward" plan, the Province is looking to expand the aquaculture industry through increased production of salmon and mussels.

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At the December 4-5, 2018, meeting of the Canadian Council of Fisheries and Aquaculture Ministers (CCFAM), Ministers confirmed support for a federal aquaculture act that respects federal, provincial and territorial jurisdictions, and provides greater clarity to the sector.

The Department is proposing to develop an aquaculture act to support the modernization and continuous improvement of aquaculture management in Canada, as well as regulations that would amend and consolidate all aquaculture-related provisions currently under the *Fisheries Act* into a new set of aquaculture-specific regulations made under the proposed new aquaculture act.

Additional information is provided in Annex 2.

5. Canada – United States Negotiations Regarding Possible Transfers of Canadian 3LNO Yellowtail Flounder Quota to the United States

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Minister's Objectives

To listen to the Premier's concerns, outline the status of the negotiations, and outline the Department's position [REDACTED]

Key Messages

- **Maintaining Canadian shares of NAFO managed stocks remains a priority for the Government of Canada.**
- **It is the Government of Canada's intention to honour the commitment we made to the US regarding ongoing access to 3LNO Yellowtail flounder. Ongoing negotiations have been slow and fairly complex; however, a priority of any future arrangement will be the protection of Canadian allocations and support for Canada's future NAFO priorities.**

Context

In 2008, Canada and the US agreed to a 10-year annual transfer arrangement of 1,000 tonnes of Canada's 3LNO Yellowtail flounder to the US, and to co-operate to protect the stock with a stable total allowable catch. The agreement is referred to as the Vigo Arrangement. An addendum to this arrangement outlined Canada's commitment to support US efforts to obtain a permanent North Atlantic Fisheries Organizations (NAFO) quota for 3LNO Yellowtail flounder. The arrangement expired at the end of 2018. Discussions are ongoing regarding a potential new arrangement [REDACTED]

Additional information is provided in Annex 2.

Attachments:

Annex 1: Biography Premier Dwight Ball
Annex 2: Additional Background Information

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Annex 1
Biography
Honourable Dwight Ball
Premier of Newfoundland and Labrador

Born in Deer Lake, Newfoundland and Labrador, Dwight Ball and his four siblings were raised by hard working parents. His father William was an advocate for loggers throughout the province, and his mother Evelyn has worked her entire life. They instilled in him a strong work ethic and a tradition of community involvement.

At the age of seventeen Dwight headed to St. John's to study pharmacy, and returned to Deer Lake after graduation; opening several pharmacies on the west coast. Mr. Ball earned significant professional recognition as a pharmacist, becoming President of the Canadian Pharmacists' Association, representing Canada's pharmacists on the world stage, and receiving the Bowl of Hygieia, which is the highest honour for a community pharmacist.

Mr. Ball then diversified his business interests to include personal care homes, real estate development, and venture capital investments, creating hundreds of jobs in Newfoundland and Labrador. He received Employer of the Year awards in both Deer Lake and Springdale for his involvement in employment programs for persons with disabilities. He served as President of the Deer Lake Chamber of Commerce, and as a Director of the Deer Lake Airport Authority, Western Regional Hospital Foundation, and the Deer Lake and Area Food Bank.

Mr. Ball was elected to the House of Assembly in 2007 and again in 2011 to represent his home district of Humber Valley. In January 2012, he became interim party leader and Leader of the Official Opposition, and was elected party leader in 2013.

On November 30, 2015, Dwight Ball was elected Member of the House of Assembly for his redrawn home district of Humber-Gros Morne, leading his party to victory in the general election and forming a majority government. On December 14, 2015, Dwight Ball was sworn in as Premier of Newfoundland and Labrador. Mr. Ball served as President of Executive Council, Minister of Intergovernmental and Indigenous Affairs, and Minister of Labrador Affairs until May 2019, at which time a Provincial General Election was called. Mr. Ball was re-elected on May 16, 2019, forming a minority government.

Dwight and his wife Sharon reside in Deer Lake. He has one daughter, Jade and a granddaughter, Antonia. In his spare time, Dwight enjoys salmon fishing, snowshoeing, and hockey.

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Annex 2 Background Information

Marine Conservation Initiatives and Marine Spatial Planning

In a submission to the National Advisory Panel on Marine Protected Area (MPA) Standards, Premier Ball stated that the Province wants certainty that future decisions are made on the basis of a collaborative, predictable, timely approach, and good science. [REDACTED]

[REDACTED] The Government of Canada considered these perspectives in the protection standards recently announced for marine protected areas and other effective conservation measures, such as marine refuges. The new protection standards for federal marine protected areas prohibit oil and gas activities, mining, dumping and bottom-trawling. In marine refuges, activities can continue as long as the Minister is satisfied that the risks to conservation objectives are avoided or mitigated.

Through the recently announced *Canada-Newfoundland and Labrador Atlantic Accord Implementation Act*, Canada and NL agreed to prohibit petroleum activities in the Laurentian Channel MPA and allow them in the Northeast Newfoundland Slope marine refuge.

In a January 2019 letter to the Regional Director General of the NL Region, the Deputy Minister of the Department of Fisheries and Land Resources, as provincial lead for ocean policy coordination, confirmed the Province's interest in partnering with the Department on Marine Spatial Planning (MSP) in the NL Shelves Bioregion. MSP is a process that brings together the relevant authorities to better coordinate how we use and manage marine spaces to achieve ecological, economic, and social objectives. [REDACTED]

DFO's position is that planning for future conservation areas should take place alongside of planning for economic uses – one of the potential benefits of an MSP process. This philosophy is reflected in the renewed Canada-Newfoundland Atlantic Accord agreement that was renewed last April.

Access to Redfish

Redfish is the most near-term groundfish opportunity. A recent redfish stock assessment indicated strong recruitment and an increase in mature biomass. Various fleet sectors in several regions are anticipating a lifting of the moratorium in Unit 1 and a return to a commercial fishery. Several sectors have indicated positions on any increased quota availability. There are expectations from inshore harvesters for increased access. The Barry Group and the Qalipu First Nation have established a partnership in western NL to collaborate in an expanded redfish harvest when the commercial fishery reopens. The decrease in abundance of Northern shrimp has left NL-based shrimp harvesters, particularly those based in the Gulf of St. Lawrence, seeking access to a reopened redfish fishery. Other Regions have also raised an expectation to share in any increased resource including Nova Scotia and Prince Edward Island. Additionally proposals have been received for redfish projects under the Atlantic Fisheries Fund including

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three redfish projects with harvesters and a joint proposal [REDACTED]

Access to Arctic Surf Clam

In September 2017, DFO's Minister announced that a fourth Arctic surf clam licence would be awarded to a new Indigenous entity, with the new licence holder being granted 25 per cent of the surf clam quota. The decision would have taken this part of the quota from Clearwater Seafoods, thus ending Clearwater's monopoly on surf clam. The decision was subsequently reversed.

The new surf clam licence was controversial in NL. Fisheries and Land Resources Minister Gerry Byrne claimed that the Indigenous entity did not have Indigenous representation from NL and he criticized the lack of compensation to Clearwater. As well, concerns were raised about the potential job losses in NL (Clearwater does the majority of its surf clam processing in Grand Bank NL, and employs over 120 people). [REDACTED]

On March 12, 2019, an agreement on the arctic surf clam fishery was reached between Clearwater Seafoods Inc. and 14 First Nations in NL and Nova Scotia. Clearwater has stated that should the fourth surf clam licence go to a party that is not one of its First Nation partners, the agreement would terminate. The Province has publically stated its support for this agreement.

The Department is currently developing advice for the Minister on the approach to the issuance of this new access in light of an access and allocation framework currently being developed to support decision making to advance reconciliation. Given the time required to develop this new framework, [REDACTED]

Atlantic Salmon

For the first time in 2018, the Province set its own catch-and-release limits for recreational salmon fishing, which differed from DFO's limits. While DFO set a catch-and-release limit of three fish per day, the Province allowed fishers to catch and release 10 fish per day.

Minister Byrne wrote DFO in February and April 2019 highlighting concerns regarding science and management of Atlantic salmon and the Province's views on the 2019 Salmon Management Plan. [REDACTED]

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2019 Salmon Management Approach

On May 17, 2019 the Department announced management measures that included:

- A retention limit of one fish on Class 2 rivers (Tag 1 – red) and a retention limit of two fish on Class 4, Class 6 and unclassified rivers (Tags 3 and 4 – green).
- A catch and release limit of three fish per day for all rivers in Newfoundland and Labrador with the exception of Class 0 rivers. Class 0 rivers are permitted a catch and release limit of two fish per day.
- The retention of salmon on non-scheduled waters is not permitted.
- The implementation of a new multi-faceted environmental protocol, which will be available in the 2019-2020 Angler's Guide.

In addition to the regular advisory process, in the fall of 2018 the Department held six public meetings at various locations across Newfoundland and Labrador in the fall of 2018. Additionally, the Department held the Labrador Salmonid Advisory Committee meeting on March 19, 2019 and the Salmon Advisory Committee meeting for insular Newfoundland on March 21, 2019. Many issues were discussed including retention limits, catch and release limits and an environmental protocol; however, views varied and there was no consensus.

Provincial officials attended the salmon advisory meetings and [REDACTED]

Aquaculture

The NL aquaculture industry comprises mainly Atlantic salmon and blue mussel production. The industry produced approximately 18,000 tonnes in 2018 and was valued at approximately \$204 million. Salmon accounted for 84 per cent of the volume and 94 per cent of the value. The aquaculture sector employed close to 1,000 people.

The NL aquaculture industry is expanding. Mowi (formerly Marine Harvest), the world's largest producer of Atlantic salmon, finalized its purchase of aquaculture assets on the South Coast of NL in 2017, and more recently submitted a successful bid to purchase Northern Harvest's assets which are worth over \$300 million. Greig NL has proposed a \$250 million project in Placentia Bay, NL. This includes the development of a \$75 million land-based hatchery/nursery in Marystown and 11 sea cage sites around Placentia Bay, producing 33,000 tonnes of salmon and creating more than 300 direct jobs. This project has been released, with conditions, from the provincial environmental assessment (EA) process and the company is submitting site license applications to the Province.

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Modernize Canada-NL Memorandum of Understanding (MOU)

The Province is interested in modernizing the 1988 Canada-NL MOU on Aquaculture Development [REDACTED] During CCFAM meetings in December 2018, Ministers agreed to work together to clarify and improve regulatory oversight and consistency including the development of federal legislation that respects all jurisdictions. With changing regulatory roles for aquaculture since the creation of the Canada-NL MOU in 1988, [REDACTED]

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Aquaculture Act and the General Aquaculture Regulations

At the December 4-5, 2018, meeting of the Canadian Council of Fisheries and Aquaculture Ministers (CCFAM), Ministers confirmed support for a federal aquaculture act that respects federal, provincial and territorial jurisdictions, and provides greater clarity to the sector.

The Federal Government had also committed to developing the proposed new General Aquaculture Regulations (GAR), announced as part of the November 2018 Fall Economic Statement. The proposed GAR would consolidate all aquaculture-related regulatory provisions under various *Fisheries Act* regulations into a single comprehensive set of regulations. At the CCFAM meeting, provincial and territorial ministers also expressed support for establishing national standards, which could be incorporated by reference into the GAR.

Together, the proposed act and regulations would form a new federal aquaculture management framework that would address stakeholder's concerns and support responsible growth of aquaculture in Canada. Public engagement on the proposed aquaculture act has begun and will build upon feedback received through preliminary engagement that was conducted in 2017/18.

Code of Containment

DFO and the Province co-manage the Code of Containment for the Culture of Salmonids in NL, which marine cage operators are required to follow as a condition of their provincial aquaculture license. Under the Code, the Province is responsible for overseeing the containment provisions while DFO administers the recapture elements. The Province has indicated it is interested in updating the Code 

The Department has suggested changes to the Code of Containment based on experiences with escapes in recent years and evidence of escaped farmed salmon interbreeding with wild populations. The changes will enhance the recapture provision of the Code. DFO continues to work with the Province to co-deliver the Code.

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Yellowtail Flounder

Provincial officials were aware of the pending expiration of the Vigo Arrangement and its addendum, the US aspirations for future quota access, and the views of the Canadian industry through this advisory process.

Officials from the Province of Newfoundland and Labrador participate in the NAFO Advisors' consultation process and have an opportunity to present their views to inform Canadian positions on NAFO issues. An update on the status of ongoing discussions with the US was provided to NAFO Advisors, including the Province of NL, at the most recent meeting of advisors on February 7.